

<b>Committee</b>	<b>Date</b>
Bridge House Estates Board	15 September 2021
<b>Subject:</b> Strategic Initiative: Catalyst (Centre for the Acceleration of Social Technology). Grant Reference 18906.	<b>Public</b>
<b>Which outcomes in the <i>BHE Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?</b>	1,3
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact (<i>insofar as they are considered to be in the best interest of BHE to support</i>)?</b>	1, 2, 3, 4, 9, 10
<b>Does this proposal require extra revenue and/or capital spending?</b>	No – approved funding held within designated fund noted below
<b>If so, how much?</b>	n/a
<b>What is the source of Funding?</b>	<b>Bridge House Estates Unrestricted Income Funds: Designated Fund for CBT grant-making</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>Yes</b>
<b>Report of:</b> David Farnsworth, Managing Director, Bridge House Estates	<b>For decision</b>
<b>Report Author:</b> Samantha Grimmett Batt, Funding Director	

### **Summary**

Established in 2015, the Centre for the Acceleration of Social Technology (CAST) aims to use digital for social good and create a more responsive, resilient, and digitally enabled social sector. The Digital Catalyst (later renamed Catalyst), launched in 2019, is a collaboration to drive the digital transformation of UK civil society and represented the first time the UK’s social sector had a dedicated, high-profile coalition jointly funding and championing this agenda.

As one of the founder funders, you contributed £200k per annum over two years towards the start-up costs. Other inaugural funders included the National Lottery Community Fund, Comic Relief, Esmee Fairbairn Foundation, Paul Hamlyn Foundation and the Department for Digital, Culture, Media and Sport (DCMS). Catalyst has supported civil society at an unprecedented level over the last two years, including providing support to thousands of London charities during the pandemic and engaging 150 London digital agencies in work to support the sector. Covid-19, and social distancing, caused a dramatic rise in the number of charities experimenting with and using digital to achieve their objectives. In the last year 83% of charities changed their services in response to demand and close to eight out of ten (78%) used digital to reach new audiences<sup>1</sup>. Most charities are now committed to digital service delivery, with 73% planning to continue delivering this way and 71% embedding a hybrid model.

<sup>1</sup> [Charity Digital Skills Report 2021](#)

You are asked to contribute £900k towards the London elements of this national initiative over a further five years. This will enable Catalyst to continue to respond to this explosion in new digital experiments utilising co-ordination and collaboration to ensure good practice, prevent needless duplication, and make the best use of sector resources. It will also support a review and transition period which will embed a more equitable network-led model.

### **Recommendation(s)**

Members are asked to:

- a) Agree a grant of £900,000, over five years (£200k, £200k, £200k, £175k, £125k) to the Centre for the Acceleration of Social Technology for the continuation of the Catalyst digital network project, release of year two payments will be conditional on funding from the National Lottery Community Fund (or other funder(s) at a similar level of funding) being secured.**

### **Main Report**

#### **Background**

1. CAST registered with the Charity Commission in 2015, and aims to create a more responsive, resilient and digitally-enabled social sector by supporting civil society organisations to embed digital and design across their services, strategy and governance. It works with sector leaders, funders and government to make this happen and is a trusted partner and adviser to the sector. Using a blend of research, systems and design-led approaches, CAST helps build organisations, products, and services that are responsive and resilient to ongoing social, economic and technological change.
2. In December 2018, Annika Small (the founder and then Director of CAST) chaired the Citizenship session at the Digital Skills Summit held at Mansion House. Following this, CAST delivered a series of “Design Hops”, also hosted at Mansion House, for funders to explore digital.
3. CAST regularly supports CBT in its funding activities, for example Dan Sutch, the current Director, sat on the London Community Response Fund advisory panel, and is also facilitating an upcoming workshop for Funding Managers, sharing learning from CAST’s work with charities over the course of the pandemic. Your officer also benefits from membership in a funders collaborative peer group around digital funding, convened by Catalyst and ACF.
4. Since its inception, CAST has employed a network approach to create best-in-class tools, guidance and learning programmes that deliver digital transformation to the charitable sector. In 2019, CAST injected fresh energy into this work, launching “Digital Catalyst” (since renamed just “Catalyst”) as an incubator project: an alliance of civil society organisations, funders, and digital agencies. This represented the first time the charitable sector had a dedicated, high profile coalition jointly funding and championing the digital agenda.
5. As one of the founding funders, alongside the National Lottery Community Fund, DCMS, Comic Relief, Esmée Fairbairn Foundation, and Paul Hamlyn Foundation, you supported the start-up costs of Catalyst at £200k per annum

over two years, which ended in June 2021. This was followed by a bridging grant of £50k in July 2021 to support Catalyst's core costs until the end of September. Your funding to date has supported the London element of this national work, recognising the urgent need to upskill civil society in digital literacy due to a combination of historical underinvestment and poor co-ordination.

### **Current Position**

6. Digital Catalyst has achieved a great deal for London's charities in two years:

- a) 55 London based collaborators signed up to the Catalyst charter in the first year (140 in total). By the end of year two the network had grown from 50 digital partners to 500, and from a thousand charities to around 20,000 (of which around 5,800 are London based).
- b) The Catalyst website received 70,000 unique users from London and the number of registered tech-for-good digital support agencies in London quadrupled in the second year.
- c) Catalyst resources and services were accessed almost 200,000 times and its videos were viewed over 370,000 times.
- d) Provided training in digital and user-centred design, and digital leadership training, for example via the development of a Digital Code of Practice.
- e) Provided digital service design support for London's charities through "Design hops" and training initiatives and improved the provision of digital tools and support through resources like Digital Candle.
- f) Grew vibrant communities focused on digital via projects such as local networks, thematic convening, digital inclusion convening, tech4Good, network peer meet-ups, community spaces, and the Data Collective.
- g) Developed platforms for collective project reporting, a shared relationship facilitation tool, and digital reuse.
- h) Joined the City Bridge Trust Bridge Programme (Funder Plus) as a provider, offering capacity support for CBT's funded organisations.

And, during the Covid-19 pandemic, Catalyst:

- a) Scaled up direct support to charities through funding and expert support for London Anchor charities, for example the human connection framework and toolkit, which supported charities to pivot from location based to digital service delivery. This tool embeds relational wellbeing into services, recognising that a sudden transition to online service will not provide the same wellbeing outcomes for service users as those that existed face to face,
- b) Created DigiSafe – a step by step digital safeguarding tool accessed by hundreds of charities, and
- c) Contributed significantly to the distribution of £5m of National Lottery Community Fund grants (around 25% to London based charities).

### **Financial review**

7. CAST is financially stable, with a steadily growing income since 2015. As noted, the charity played a pivotal role in Covid relief efforts and received extensive funding during 2020/2021 to deliver direct services and distribute

funds as a delegated funder for the National Lottery Community Fund. This exceptional year skews the income and expenditure trend. Note that the operational deficit shown for Y/E March 2022 includes expenditure of £1.7m of restricted funds carried over in the previous year and therefore has no impact on reserves.

8. The charity has enjoyed a diverse income stream in past years from a range of funding sources, including earned income, and expects to remain within its reserves policy of 3-6 months of operating expenditure in coming years.

Year end as at 31st March	2020	2021	2022
	Audited Accounts	Forecast	Budget
	£	£	£
<b>Income &amp; expenditure:</b>			
Income	2,142,181	6,268,164	1,480,000
- % of Income confirmed as at 18/08/2021	N/A	100%	41%
Expenditure	(1,798,489)	(5,794,910)	(2,544,665)
Total surplus/(deficit)	<b>343,692</b>	<b>473,254</b>	<b>(1,064,665)</b>
Split between:			
- Restricted surplus/(deficit)	140,775	827,010	(1,069,769)
- Unrestricted surplus/(deficit)	202,917	(353,756)	5,104
	<b>343,692</b>	<b>473,254</b>	<b>(1,064,665)</b>
Cost of Raising Funds	22,585	29,019	25,000
% Income	1%	0%	2%
<b>Free unrestricted reserves:</b>			
Free unrestricted reserves held at year end	280,608	329,896	335,000
No of months of operating expenditure	4.3	5.1	5.2
Reserves policy target	195,000	195,000	195,000
No of months of operating expenditure	3.0	3.0	3.0
Free reserves over/(under) target	85,608	134,896	140,000

## Proposals

9. Continuation funding will allow Catalyst to continue ongoing support, maintain progress towards longer term plans, and transition towards a more equitable network-led model. It will enable London charities to benefit from technical and relational infrastructure created over the last two years, navigate valuable free assets via open IP, support the growth of the Data Collective London (which was convened by London charities to build on the previous work undertaken by Datawise), and ensure London based anchor charities gain access to and value from the vast range of free Catalyst services and resources.
10. The funding will also support a review, currently underway, to explore what a more equitable network-led model could look like. This will embed more inclusive, relational, and collective ways of working, particularly enabling participation from currently under-represented groups in the design of Catalyst for the future (including a participatory approach to funding applications). It is hoped that the potential of good digital design— to put power back into the hands of communities by shifting towards more user-led and responsive practice— can be harnessed in this next phase of Catalyst’s work. One of the

primary aims of this review will be to ensure than all digital practice is rooted in social justice, moving away from extractive, disempowering, or divisive methods.

11. Catalyst will continue tackling significant sector challenges that require a joined-up response, like digital inclusion and safeguarding in the coming years. During the crisis, over one in five organisations cancelled services, either because their users did not have the skills or tech to use them, or because staff lacked the skills or tech to deliver.
12. Catalyst will focus on other big-ticket items too, such as:
  - Dealing with the financial implications of Covid-19 and how digital can help,
  - Continuing to champion the importance of digital and new ways of working.
  - Thinking about how to design future emergency responses, and
  - Continuing to support and nurture collaborative community spaces around digital like Tech for Good London, a 10,000 strong network of people from charities, start-ups and the public sector, and NetSquared London, which hosts events for London voluntary organisations and digital experts.
13. The funding will also support a careful overarching review of Catalyst as it completes a transition away from a developmental mode towards a more established delivery model. This review, to be completed by the end of March 2022, will include consideration of the future of the strategy and activity of Catalyst, its relationship to CAST, and its place within the wider civil society eco-system. The organising structure and governance of Catalyst will also be reviewed and co-designed with the Catalyst network.
14. In the first two years of delivery, Catalyst cost £1.3m pa. Should you agree to this proposal, the share of CBT’s funding would equate to approximately 17% or less of the expected £1.1m minimum annual costing of the Catalyst budget over the next three years – well inline with expected London benefit. Similar annual budgets are expected in year four and five.
15. A breakdown of the anticipated CBT grant spend over the first three years is detailed below. Subsequent years will be broken down similarly, albeit in line with a tapered grant amount, and your officer will review the budget prior to releasing each year’s payment to ensure that the proportion of CBT funding is commensurate with the expected London benefit.

<b>Catalyst spend</b>	<b>Year 1, 2 and 3, per year.</b>
Collaborative network	£48,630
Reuse Infrastructure	£17,670
Insight, research & Development	£0
Core	£19,592
Redevelopment and transition	£77,875
Support and training	£36,233
<b>Total</b>	<b>£200,000</b>

16. Your officer has recommended a taper in the grant for the final two years to encourage the sustainability of Catalyst into the future, reduce the risk of overreliance on one/a few funders, and bring the level of CBT support in line with other infrastructure grants as the project becomes an established part of civil society infrastructure.

17. A five-year award is recommended in line with the commitments set out in the Bridging Divides strategy to do so where possible, and to follow established and emerging good practice within the funding sector<sup>23</sup>. A five-year term also aligns with the IVAR open and trusting grant-making principles CBT has committed to and will ensure continued momentum between other potential funding awards currently under consideration for two, five and ten years from Esmee Fairbairn, Paul Hamlyn Foundation and the National Lottery Community Fund respectively. Hamlyn Foundation and Esmee Fairbairn Foundation also provided bridging grants for Catalyst in the summer, along with CBT.

## **Corporate & Strategic Implications**

### **Strategic implications**

18. This proposal supports the aims and objectives of BHE's overarching strategy, Bridging London 2020 – 2045. The activities will support the charity in becoming a charitable funder and responsible leader
19. This work meets the mission and vision of the Bridging Divides strategy, and the cross-cutting priorities. It also closely aligns with the Bridging Divides PACIER values, particularly Progressive, Adaptive, Collaborative, and Inclusive.
20. This initiative also aligns with recommendation 2(d) of the Interim Bridging Divides Review Recommendations.

### **Financial implications**

21. The funding of civil society infrastructure has been factored into planning for the 2021-2022 Bridging Divides allocation.

### **Resource implications**

22. All resourcing needs are costed into the relevant budgets for 2021-2022.

### **Legal implications**

23. This report and its recommendations should be considered on the basis of what is solely in the best interests of the charity, BHE.

### **Risk implications**

24. Risks and mitigations inherent in the funding process are captured in CBT's risk register.

### **Equalities implications**

25. The City Corporation's Public Sector Equality Duty (PSED) applies to the exercise of the City Corporation's local authority functions only. Nonetheless, Bridging Divides has an explicit focus on reducing inequality, and this initiative also supports this objective. Catalyst will positively address inequality by developing a network-led approach that represents the communities accessing civil society and charitable sector services, particularly those whose

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<sup>2</sup> [Lloyds Bank Foundation, Small Charities Responding to Covid-19 Summer Update](#)

<sup>3</sup> [IVAR flexible Funding principles](#)

voices have traditionally been underrepresented, alongside the City Corporation's separate discharge of the PSED.

## **Conclusion**

26. The work of Catalyst is strategically essential to London's civil society. Digital practice within this sector is still emergent, but it is clear that charities that embrace digital, data, and design respond more effectively to their users and are much more resilient. By continuing to collaborate with both CAST/Catalyst, and your funder peers the National Lottery Community Fund, Esmee Fairbairn Foundation, and Paul Hamlyn Foundation, your agreement to this funding allocation of £900,00 over five years will allow for both the continued development of this vital work and the establishment of a robust digital infrastructure legacy within civil society. Furthermore, the equity focused lens that Catalyst intends to apply to this project over the next five years aligns strongly with the Bridging Divides mission, which states that a healthy, vibrant and well-resourced voluntary sector, working with communities and across sectors, plays a vital role in making London's communities stronger, more resilient, and able to thrive.

## **Appendices**

None – a copy of the full proposal can be made available on request.

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